

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 2012

18 October 2012

Question: SBT 40

Topic: AVO – AAT issues (ATO)

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Senator BUSHBY asked:

Senator BUSHBY: I note that since we last spoke there was an article in the *Sydney Morning Herald* a couple of months back in May regarding some valuations you did for some embassies. In particular, the Belgium and Finnish embassies got a bit upset over the amount that their rent had increased over the 20-year period since the last one. I imagine it is probably reasonable that it has gone up. I am particularly interested in when the AAT became involved. They made some critical comments of the way that the valuations were undertaken. I note that they also made some critical observations of the private valuers that the embassies engaged for their valuations.

Have you looked at the issues that were raised by the AAT and have you taken any measures to address those issues? Firstly, do you acknowledge that those criticisms were justified?

Mr Becker: I would need to take that on notice and get back to you. That was before I moved into the role.

Answer:

The Australian Valuation Office acknowledges the expertise and experience of the President of the Administrative Appeals Tribunal (AAT).

The criticisms related to the Australian Valuation Office's presentation in a difficult valuation exercise where there were few comparable sales and the valuer was challenged on matters of opinion.

The Australian Valuation Office valuation was upheld by the AAT.

Processes have been introduced in order to appropriately support the AAT in its enquiries. These processes include:

- early identification of high risk assessments and escalation to the Principal Valuer
- identification of appropriate valuers to support the tribunal process
- revisit expert witness training undertaken by valuers late last year.